

II. TANDEM ISSUES (Issues I-4 (I-1-a), III-1, III-2, IV-1, V-16)⁴³

MR. ALBERT: . . . Now, we [Verizon] are responsible for the engineering for the sizing of these trunk groups of the dedicated final trunk groups to the CLEC. We are responsible to monitor it, and we're responsible --we are on the hook, I guess, according to the law, to provide interconnection there that's equal to what we do for ourselves throughout the rest of the network

* * *

Why the DS-1 threshold is so important to us, and why it's something that we use in our own network is it's a significant engineering tool for us to be able to relieve and not have trunk blocking on this main trunk group. What we do is monitor this dedicated final trunk group, and as calls are building up, one way to deload that and to reduce blocking if it were to occur, is to then establish direct end office trunking.

Tr. at 1098-1100.

As Verizon VA witness Albert opined at the hearing, the issues relating to CLEC traffic on Verizon VA's tandems are important to Verizon VA because they directly affect how Verizon VA engineers its network for itself and for the CLECs. The CLECs' proposals would cause Verizon VA to engineer its network in a manner that significantly degrades Verizon VA's network. Indeed, the CLECs would like to establish the standard by which Verizon VA engineers its network. Tr. at 1421-22. Regarding the establishment of direct end office trunking to relieve the CLEC traffic at Verizon VA's tandem, AT&T witness Talbott stated: "I think the issue between AT&T and Verizon VA is should that be Verizon VA's choice or should that be AT&T's choice on whether it's to be efficient or inefficient for AT&T to do so." Tr. at 1421-22. Obviously, Mr. Talbott believes that if it is efficient for AT&T, Verizon VA's concerns are

⁴³ AT&T labeled Issue I-4 as Issue I-1-a. Nevertheless, these are the same issues.

irrelevant. AT&T and the other CLECs, however, should not have the ability to micromanage Verizon VA's network in a way that would severely degrade Verizon VA's network.

A. The CLECs Should Establish Direct End Office Trunking Once Their Traffic Reaches The DS-1 Level At The Tandem As An Appropriate, Non-Discriminatory Limitation.⁴⁴ (Issue I-4).

CLEC traffic on the tandem is an issue for Verizon VA because of potential tandem exhaust and Verizon VA's overall ability to manage its own network to avoid call blocking. As Verizon VA witness Albert testified, Verizon VA's tandems are exhausting rapidly. Tr. at 1101. Verizon VA's tandems face exhaust in large part because the CLEC trunks to the Verizon VA tandem represent the largest increase in trunks to the tandem over the last five years. In 2000 alone, trunk growth between the CLECs and Verizon VA increased about 100%. Tr. at 1277; Verizon Ex. 4 at 37-39. The growth of these additional trunks at Verizon VA's tandem "drives" the tandems to exhaust. Tr. at 1276.

Verizon VA also is concerned about CLEC traffic on the tandem because it is responsible for managing its network to ensure that call blocking does not occur, or is at least minimized. If there is no direct end office trunk between the Verizon VA end office and the CLEC POI, then calls are handled over the final common trunk group between the Verizon VA end office and the Verizon VA tandem. Without the direct end office trunk, Verizon VA cannot "deload" the

⁴⁴ The discussion in § II.A applies to Cox and AT&T. AT&T objects to the establishment of a direct end office trunk for its originating traffic to a Verizon VA end office. AT&T Ex. 3 at 48. It appears that AT&T does not object to Verizon VA establishing a direct end office trunk from the Verizon VA end office to the POI for Verizon VA originating traffic. In addition, at the hearing, Cox conceded that it does not object to Verizon establishing a direct end office trunk for Verizon-originated calls from the particular Verizon end office to the Cox POI. Tr. at 1282. WorldCom and Verizon agree that WorldCom will establish a direct end office trunk once the traffic going to that end office reaches 200,000 minutes of use per month or the DS-1 level. Tr. at 2253; *see* discussion § II.B *infra*.

traffic and blocking occurs. Such blocking could result in Verizon VA being on the “hook” for performance penalties. Tr. at 1099-1100.

Verizon VA’s proposed language would require a CLEC to establish direct end office trunking once its traffic at the tandem reaches the DS-1 level. This is how Verizon VA engineers and designs its own network. Verizon VA has used this engineering guideline for the establishment of direct end office trunks as a design criteria for itself since the late 1980s and early 1990s. Tr. at 1186-87. Because the CLECs utilize Verizon VA’s network, routing and switching their traffic through Verizon VA’s tandems, Verizon VA expects them to follow the same engineering guideline that Verizon VA applies to itself when the CLECs use Verizon VA’s network.

Nevertheless, AT&T and Cox do not want to follow Verizon VA’s engineering guideline. Instead, they want to dictate how Verizon VA should engineer its own network. For instance, Cox witness Collins testified that Cox would establish direct end office trunks if the level of traffic reached 3 DS-1s. According to Dr. Collins, this is “one-third of the economically efficient network loading factor that Cox would like to see” Tr. at 1015. Nonetheless, Dr. Collins could not identify how Cox arrived at this number or if Cox ever studied the economic and engineering impact of this level of traffic on the Verizon VA network. Tr. at 1425.

AT&T is further down the spectrum than Cox because AT&T does not even identify a threshold at which it would establish a direct end office trunk. If the Commission were to adopt AT&T’s position, AT&T would never establish a direct end office trunk to help Verizon VA alleviate tandem exhaust and avoid blocking. AT&T could not identify how it determined why a direct end office trunk could be harmful. Tr. at 1427-28. Likewise, Cox could not identify why

it was more appropriate to establish a direct end office trunk at the 3 DS-1s as opposed to the DS-1 level. Tr. at 1427-28.

Furthermore, AT&T misapprehends what is at issue. AT&T believes that Verizon VA is attempting to force AT&T to establish a POI at a particular end office.⁴⁵ This is not true. Requiring a trunk group to the end office does not necessarily change the location of the POI. Even WorldCom witness Grieco recognized this when he explained that when WorldCom builds its network to a single POI and orders interconnection from Verizon VA, the trunk group goes from the POI to the final destination in the Verizon VA network, which could be an end office trunk but not necessarily a POI. *See* Tr. at 1633.

The proposals from AT&T and Cox would require Verizon VA to design its network in a manner that is not “equal in quality to that provided by the local exchange carrier to itself or to . . . any other party to which the carrier provides interconnection”⁴⁶ Indeed, if this Commission implements Cox’s or AT&T’s proposal, these proposals could negatively impact other carriers and local end user customers because Verizon VA could not effectively engineer its network.

Verizon VA’s proposed contract language with respect to Issue I-4 is consistent with *Iowa Utilities Bd. II*:

Nothing in the statute requires the ILECs to provide superior quality interconnection to its competitors. The phrase ‘at least equal in quality’ establishes a minimum level for the quality of interconnection; **it does not require anything more** . . . We also note that it is self-evident that the Act

⁴⁵ AT&T’s issue statement for Issue I-4 reads: “Can Verizon force AT&T to establish a point of interconnection at a particular end office, when AT&T traffic to that end office reaches a certain threshold traffic level?”

⁴⁶ 47 U.S.C. § 251(c)(2)(C).

prevents an ILEC from discriminating between itself and a requesting competitor with respect to the quality of interconnection provided.⁴⁷

AT&T and Cox's proposals for Issue I-4 would force Verizon VA to discriminate between carriers who abide by the DS-1 threshold (*i.e.*, Verizon VA and WorldCom) in favor of carriers who do not (*i.e.*, AT&T and Cox). In addition, the New York PSC recognized the DS-1 threshold as a reasonable level at which Verizon VA can limit the amount of traffic at its tandems.⁴⁸

As Verizon VA witness Albert explained with respect to the adoption of this DS-1 threshold, Verizon VA's proposed language "would get us [Verizon] 95 percent of the way home to helping with the tandem problems that we've currently got." Tr. at 1439. Even AT&T witness Talbott, contrary to the contract language proposed by his employer, conceded that some type of requirement for end office trunking would be appropriate:

It [forecasting and cooperative trunk rearrangements to end offices] should make it more predictable and allow Verizon to stay ahead of the curve and have sufficient trunking and tandem switching in place for all carriers.

Tr. at 1440.

B. WorldCom Tandem Exhaust Issues: Direct End Office Trunking, The Inter-Tandem Routing Issues, And The 240 Trunk To The Tandem Limitation. (Issue I-4).

(1) The Commission Should Adopt Verizon VA's Direct End Office Trunking Language. (Issue I-4).

At the hearing, WorldCom seemed to agree in principle with Verizon VA that direct end office trunks need to be established when the WorldCom originating or terminating traffic between a Verizon VA tandem and Verizon VA end office that homes off that tandem exceeds

⁴⁷ *Iowa Utilities Bd. II*, at 758 (emphasis added).

⁴⁸ *NY (AT&T/Verizon) Arbitration Order*, at 30-31; *see also NY PSC Local Traffic Order*, at 7.

200,000 minutes of use per month, or one DS-1. Tr. at 1623, 1625, 2254. Nevertheless, WorldCom's proposed § 2.4.2, is not, as WorldCom represented at the hearing, "probably more acceptable to you [Verizon] than yours are." Tr. at 1104. Verizon VA's proposal is more comprehensive and clearly delineates the parties' responsibilities for establishing direct end office trunks, whether those trunks are one-way trunks or two-way trunks. Verizon VA's proposed § 2.2.4 provides:

In the event the MCI_m originating and/or terminating traffic volume between a Verizon End Office and a Verizon Tandem, which is carried by a common transport Local Interconnection Trunk group, exceeds 200,000 combined minutes of use per month: (a) if One-Way Interconnection Trunks are used, the originating Party shall promptly issue an ASR for a One-Way direct high-usage Local Interconnection Trunk group between the Verizon End Office and the originating Party's POI; or (b) if Two-Way Local Interconnection Trunks are used, then MCI_m shall promptly submit an ASR to Verizon to establish the Two-Way direct high-usage Local Interconnection Trunk group between that Verizon End Office and the POI and, in either case, the Party not issuing the ASR will comply with the establishment of the direct high-usage Interconnection Trunk group.

Even though WorldCom's proposal acknowledges the need for direct end office trunks, it is too permissive. WorldCom's proposed § 2.4.2 states:

Traffic Volume – Either Party **may order**, and the other Party shall install and retain, direct end office two-way trunking sufficient to handle actual or reasonably forecasted two-way traffic volumes, whichever is greater, between an MCI_m switching center and a Verizon end office where the traffic exceeds 200,000 minutes of use per month

WorldCom proposed interconnection agreement, Attachment IV § 2.4.2 (emphasis added).⁴⁹

WorldCom's proposal is ineffective and does not address Verizon VA's tandem exhaust concerns because if one party does not "order" a direct end office two-way trunk, the other party

⁴⁹ It also appears that WorldCom's proposed § 2.4.2 conflicts with WorldCom's two-way trunking proposal, in which WorldCom agreed to be responsible for the timing and sizing of two-way local interconnection trunk groups between Verizon VA's network and WorldCom's network and that WorldCom would order those trunk groups from Verizon VA. See Com'n. Ex. 1, Issue IV-2 Network Architecture JDPL. Verizon VA proposed a virtually identical provision at § 2.4.10.

does not install it. Verizon VA's language is clear that if the WorldCom originating and/or terminating traffic exceeds 200,000 minutes of use per month, WorldCom will order and Verizon VA will install a direct end office two-way high-usage trunk group between the Verizon VA end office and the POI. Verizon Ex. 83, Interconnection Attachment § 2.2.4. In addition, WorldCom's language only deals with two-way trunks. Nevertheless, at some point during the life of this contract, WorldCom may decide to use one-way trunks. If it does make this election, Verizon VA still needs to protect its tandems by installing direct end-office trunks. Because WorldCom agrees in principle with Verizon VA that direct end office trunks are appropriate when the level of traffic exceeds the DS-1 threshold and Verizon VA's language is more comprehensive, the Commission should adopt Verizon VA's proposed § 2.2.4.

(2) WorldCom Should Not Be Allowed To Route Its LATA-Wide Traffic Through One Tandem. (Issues I-1 and I-4).

Although WorldCom proposed § 1.3.1 is part of its proposal for Issue I-1, it also affects Verizon VA's concerns about tandem exhaust. This proposal would "play absolute havoc with [Verizon VA's] ability to manage capacity" on its network by taking all of WorldCom's originating § 251(b)(5) traffic from its POI and dropping that traffic off at one Verizon VA tandem in a LATA. Tr. at 1465. Havoc results because WorldCom establishes local interconnection trunk groups to one tandem destined for every Verizon VA wire center, even when those end office wire centers do not home or subtend to that tandem.

As Verizon VA's network is currently structured, Verizon VA's local end office switches home -- or subtend -- to a particular Verizon VA tandem. IXCs, CLECs, and CMRS providers drop off traffic destined for a local end office switch to a subtending tandem. Tr. at 1463; Verizon Ex. 53. This is consistent with how routing and homing arrangements are outlined in the local exchange routing guide ("LERG"). Tr. at 1464. WorldCom has already agreed to route

traffic in accordance with the LERG, Verizon Ex. 83, Interconnection Attachment § 5.2.5, but WorldCom's proposed § 1.3.1 does not do so because it "drops" the traffic off at one tandem even if the intended Verizon end office does not home off that tandem. Tr. at 1464.

By not routing traffic in accordance with the standard industry practice, contained in the LERG, WorldCom's contract proposal interferes with Verizon VA's ability to maintain grades of service and exacerbates Verizon's tandem exhaust problem. Tr. at 1465. WorldCom's proposed § 1.3.1 exacerbates Verizon VA's tandem exhaust problem because it randomly dumps a high volume of traffic on any one tandem. If adopted by other CLECs, they too will randomly dump traffic at any one tandem, possibly a different tandem than the one picked by WorldCom. Contrary to WorldCom witness Grieco's representation, § 1.3.1 would not help alleviate Verizon VA's tandem exhaust problem. Tr. at 1622. If all the WorldCom traffic is switched at the one tandem, the increased traffic volume would hasten the tandem exhaust on that particular switch. Tr. at 1465-66. In addition, once all the WorldCom traffic is "dumped off" at the one tandem, Verizon VA then must figure out how to distribute this traffic to the rest of Verizon VA's network by inefficiently switching calls through multiple Verizon VA tandems. Tr. at 1465.

Section 1.3.1 also seems to permit WorldCom to evade the direct end office trunk arrangement it reached with Verizon VA. Allowing WorldCom to drop all of its traffic off at one designated tandem is not consistent with WorldCom's agreement to establish a direct end office trunk once the level of traffic at a tandem exceeds the DS-1 level. In addition, WorldCom's proposed § 1.3.1 would severely impact network reliability in a manner that would affect every other carrier that uses Verizon VA's network. Tr. at 1465. The Commission should reject WorldCom's proposed § 1.3.1.

(3) The Commission Should Adopt Verizon VA's 240 Trunk To The Tandem Limitation. (Issue I-4).

This issue is specific to WorldCom. Verizon VA's proposed § 2.2.5 limits the amount of trunks at Verizon VA's tandem. Verizon Ex. 83, Interconnection Attachment § 2.2.5. The 240 trunks to the tandem limitation allows Verizon VA to manage the usage and design of trunks at the tandem. Tr. at 1436. As explained by Verizon VA witness Albert, when Verizon VA tandems exhaust, it must install a new tandem in its network. This is a disruption for all carriers because it imposes additional work on CMRS providers, other CLECs, IXC's and Verizon VA. Tr. at 1102-03. When a new tandem is deployed all these carriers must re-home and rearrange their network to get to the new tandem. Tr. at 1104. This limitation should assist Verizon VA in maintaining network reliability. In addition, some carriers in Virginia have agreed to this arrangement with Verizon VA.

C. AT&T and WorldCom Should Establish A Direct Connection With Third-Party Carriers Once The Level Of Traffic To That Third-Party Carrier Reaches The DS-1 Threshold. (Issues III-1, III-2).

Pursuant to the Act, every carrier, ILEC and CLEC alike, must "interconnect directly or indirectly with the facilities and equipment of other telecommunications carriers" ⁵⁰ Each party to this arbitration individually has this duty, and there is no requirement that the incumbent -- Verizon VA -- must help the CLEC satisfy its own obligations. Yet, this is exactly what AT&T and WorldCom ask for in their proposed contract language relating to tandem transit service. As WorldCom witness Grieco testified:

Q. And is it fair to say that the petitioners look to 251(a)(1) of the Act for support for their position that Verizon has an obligation to provide transit service, and specifically the language there says that each telecommunications carrier has the

⁵⁰ 47 U.S.C. § 251(a)(1).

duty to interconnect directly or indirectly with the facilities and equipment of other telecommunications carriers?

MR. GRIECO: Yes.

Tr. at 2179. Similarly, AT&T contends that if Verizon VA does not allow AT&T to use Verizon VA's tandem transit service indefinitely, Verizon VA interferes with AT&T's "right" to interconnect indirectly with other carriers. AT&T Ex. 8 at 31.

Both WorldCom and AT&T rely on a very tortured reading of § 251(a)(1). A plain reading of § 251(a)(1) indicates that "*each* telecommunications carrier has the *duty* . . . to interconnect directly or indirectly [with other carriers.]"⁵¹ This is AT&T's and WorldCom's "duty," it is not their "right." In the *Local Competition Order*, this Commission held that this "duty," interconnecting indirectly with other carriers, is satisfied if two non-incumbent LECs both interconnect with an ILEC's network.⁵² To assist WorldCom and AT&T in satisfying *their* duty to interconnect indirectly, Verizon VA offers them a tandem transit service.⁵³ In other words, Verizon VA agrees that it will act as a go-between for traffic between AT&T or WorldCom and another local carrier. Nevertheless, Verizon VA's tandem transit service proposal recognizes that at some point, AT&T and WorldCom should be required to interconnect directly with the other carrier.

⁵¹ 47 U.S.C. § 251(a)(1) (emphasis added).

⁵² See *Local Competition Order* at ¶ 997 ("Given the lack of market power by telecommunication carriers required to provide interconnection via section 251(a), and the clear language of the statute, we find that indirect connection (e.g., two non-incumbent LECs interconnecting with an incumbent LEC's network) satisfies a telecommunications carrier's duty to interconnect pursuant to section 251(a)").

⁵³ See Verizon proposed §§ 7.2 *et seq.* to AT&T; Verizon proposed Interconnection Attachment §§ 11 *et seq.* to WorldCom.

Verizon VA contends that the DS-1 level is an appropriate threshold at which AT&T and WorldCom should begin to connect directly with a third-party carrier for the exchange of traffic. The DS-1 level is an appropriate benchmark because it is consistent with Verizon VA's position that once the level of traffic destined for a particular Verizon VA end office reaches a DS-1, the parties should establish a direct trunk group to the end office. The DS-1 threshold for the tandem transit service is a natural extension of that principle. As is the case with direct end office trunking discussed for Issue I-4, Verizon VA needs to limit the amount of traffic at its tandem resulting from tandem transit service. Verizon Ex. 4 at 35-36.⁵⁴

Moreover, requiring AT&T and WorldCom to interconnect directly with third-party carriers at the DS-1 level provides them with the appropriate incentive to begin negotiating with those third-party carriers. As Verizon VA clarified at the hearing, it is willing to provide tandem transit service up to the DS-1 level at rates equivalent to those in the interconnection agreement between the respective parties. Nevertheless, as the level of traffic approaches the DS-1 level, Verizon VA expects AT&T and WorldCom to begin seriously exploring the possibility of interconnecting directly with the third-party carrier. Tr. at 2272-73. At some point, which Verizon VA maintains is the DS-1 level, AT&T and WorldCom need to take responsibility as telecommunications carriers and enter into business relationships with carriers who are not ILECs. As a matter of fact, in a recent arbitration between WorldCom and BellSouth, the Georgia Public Service Commission adopted a WorldCom proposal for transit services similar to

⁵⁴ See *NY PSC Local Traffic Order* at 7.

that proposed by WorldCom in this proceeding but only because WorldCom admitted that it must have an interconnection agreement with the third-party carrier.⁵⁵

AT&T and WorldCom, however, do not want to assume this responsibility and admitted that they have no definite plans to interconnect directly with third-party carriers and propose that Verizon VA provide tandem transit service indefinitely, claiming that interconnecting directly would involve “substantial expenses” and “a substantial staff of people.” Tr. at 2295. Thus, AT&T contends that Verizon VA should bear those “substantial expenses” that AT&T seeks to avoid. According to AT&T, Verizon VA must shoulder these responsibilities to enable AT&T to satisfy its § 251(a)(1) duty to interconnect.

AT&T also maintains that when it becomes “cost-effective” for each of the companies -- AT&T and the third-party carrier -- to directly interconnect, “they will do it.” Tr. at 2190. Apparently, “they will do it” because they are “rational firms and they will behave rationally based on the economics of the situation.” Tr. at 2190. But AT&T’s proposed contract language provides no guidance regarding when AT&T will make this “rational” decision, and provides no incentive for AT&T to make this decision.

Given AT&T’s reasons for not establishing a traffic threshold at which it will directly interconnect with a third-party carrier, the logical question is: If Verizon VA is bearing all the “substantial expenses” listed by Mr. Talbott, why would AT&T ever interconnect with a third-

⁵⁵ *In re: Petition of MCI Metro Access Transmission Services, LLC and MCI WorldCom Communications, Inc. for Arbitration of Certain Terms and Conditions of Proposed Agreement with BellSouth Telecommunications, Inc. Concerning Interconnection and Resale Under the Telecommunications Act of 1996*, Georgia Public Service Commission, Docket No. 11901-U, Order at 14 (February 6, 2001) (although the Georgia Commission adopted WorldCom’s proposal, the Georgia Commission held that the contract provision for transit service must provide that WorldCom have an interconnection agreement with the third-party carrier and compensate BellSouth for acting as WorldCom’s billing agent).

party carrier? AT&T could continue using Verizon VA's tandem transit service, and if AT&T's proposal is adopted it could do so at rates equivalent to those in the interconnection agreement no matter what the level of traffic or the effect on Verizon VA's network, and never negotiate a direct agreement with a third-party carrier.

As the New York PSC held, the DS-1 threshold is a reasonable level at which AT&T is obliged to provide direct transport.⁵⁶ Indeed, the New York PSC held that Verizon "is not obligated to provide transit service for the exchange of traffic between AT&T and other carriers."⁵⁷

D. Once The Level Of Traffic Goes Above The DS-1 Level, Verizon VA Should Be Permitted To Charge Market-Based Rates. (Issue III-2).

Once the level of transit traffic goes above the DS-1 level, Verizon VA should be permitted to charge AT&T and WorldCom market-based rates because Verizon VA is under no legal obligation to provide this service at all.⁵⁸ Allowing Verizon VA to charge market-based rates also will provide the CLECs with an appropriate incentive to do what they should do anyway by establishing connections directly with the third-party carrier. *See* Tr. at 2256.

With respect to AT&T, if the level of transit traffic to a third-party carrier went above the DS-1 threshold, Verizon VA would charge AT&T non-usage sensitive access charges for ports and a billing fee, which is usage sensitive. Tr. at 2270. The billing fee is associated with what Verizon VA is charged by Verizon VA's billing vendor. Tr. 2264. Verizon VA's billing vendor charges Verizon VA a fee for the billing it does on Verizon VA's behalf for transit services.

⁵⁶ *See NY (AT&T/Verizon) Arbitration Order* at 36-38.

⁵⁷ *Id.* at 38.

⁵⁸ *See NY (AT&T/Verizon) Arbitration Order* at 37-38.

When Verizon VA charges AT&T a billing fee when the level of transit traffic goes above the DS-1 threshold, it is merely passing through the fees Verizon VA's billing vendor assesses Verizon VA. Tr. at 2289-90. The additional charges Verizon VA levies upon AT&T for transit services, when the level of traffic goes above the DS-1 level, are necessary and appropriate because Verizon VA is not required to provide this service.

This Commission reached a similar conclusion in *TSR Wireless LLC v. U.S. West Communications, Inc.*⁵⁹ In *TSR Wireless*, the Commission held that transit service was not an interconnection service for which UNE pricing was appropriate.⁶⁰ Although the current proceeding involves CLECs and an ILEC, the Commission should reach the same conclusion. Verizon VA is not required to provide the CLECs with transit service and, thus, market-based rates apply.

E. The Commission Should Order WorldCom And The Other CLECs To Enter Into Billing Arrangements With Third-Party Carriers With Whom They Exchange Traffic. (Issues III-1, III-2, and IV-1).

In addition to trying to require Verizon VA to satisfy their own duty under the Act to interconnect indirectly with third-party carriers, AT&T and WorldCom want Verizon VA to act as their billing and collecting agent. Pursuant to WorldCom's proposal, Attachment I §§ 4.8 *et seq.*, it would never establish a billing arrangement with a third-party carrier, but instead rely on Verizon VA to perform this function. Indeed, WorldCom proposes that it not have to reach a pricing arrangement with the third-party carrier, but instead rely on Verizon VA's pricing arrangements with the third-party carrier, on the one hand, and WorldCom, on the other.

⁵⁹ 15 FCC Rcd 11166 at n. 70 (2000).

⁶⁰ *Id.*

This proposal by WorldCom violates its duty to establish reciprocal compensation arrangements with other carriers. Specifically, § 251(b)(5) provides:

(b) OBLIGATIONS OF ALL LOCAL EXCHANGE CARRIERS.—**Each local exchange carrier** has the following duties:

* * *

(5) RECIPROCAL COMPENSATION.—The **duty** to establish reciprocal compensation arrangements for the transport and termination of telecommunications traffic.⁶¹

WorldCom seeks to avoid its statutory duty to establish reciprocal compensation arrangements for the transport and termination of its traffic by forcing Verizon VA to do it for WorldCom.

WorldCom's proposed §§ 4.8.1 and 4.8.1.1 state (emphasis added):

4.8.1 For calls that transit Verizon's network, whether they originate from MCIm and terminate to a third party LEC, CLEC or CMRS provider, or originate from that third party and terminate to MCIm, and transit Verizon's network, MCIm **requires** Verizon to make arrangements directly with that third party for any compensation owed in connection with such calls on MCIm's behalf.

4.8.1.1 When MCIm **requires** Verizon to make arrangements directly with a third party LEC, CLEC or CMRS provider on MCIm's behalf, Verizon shall compensate MCIm for such calls terminating to MCIm using MCIm's rates as described herein, and charge MCIm for such calls terminating to that third party as if such calls had terminated in Verizon's network, using Verizon's rates described herein.

WorldCom's proposal is inconsistent with a plain reading of the Act because nothing in the Act requires Verizon VA to (1) provide transit service for the CLECs, and (2) act as the CLECs' billing agent. Congress spelled out the ILECs' various duties in § 251(c). Had Congress intended the ILECs to provide transit services for the CLECs and bill for these services on the CLECs' behalf, it would have made this an "additional obligation" of the ILECs.

⁶¹ 47 U.S.C § 251(b)(5) (emphasis added).

WorldCom, however, attempts contractually to bind Verizon to do for WorldCom what WorldCom must do for itself. Tr. at 2196.

WorldCom's proposal also improperly forces Verizon VA to pay reciprocal compensation for transit traffic. Section 252(d)(2)(A)(i) provides for the transport and termination of traffic on "each carrier's network facilities of calls that originate on the network facilities of the other carrier"⁶² As both CLECs admitted at the hearing, transit traffic does not originate or terminate on Verizon VA's network. Tr. at 2716. Thus, WorldCom seeks to impose a reciprocal compensation obligation on Verizon VA that Verizon VA is not required to bear. Moreover, WorldCom's contract language does not protect Verizon VA in the event the third-party charges Verizon VA a reciprocal compensation rate that is different than the rate charged by either Verizon VA or WorldCom to one another. See Tr. at 2201-02. As the Maryland PSC has recognized, Verizon could become a third party in disputes between the CLECs and other carriers when there is no Verizon customer involved and it is "manifestly unfair" for Verizon to carry transit traffic as an accommodation and then bear any losses in the event a dispute arises between the CLECs and third-party carriers.⁶³ Similarly, the Georgia Commission recognized that if a CLEC wants to take advantage of transit services, the CLEC must enter into an interconnection agreement with the third-party carrier and compensate the ILEC for acting as the CLEC's billing and collecting agent.⁶⁴

⁶² 47 U.S.C. § 252(d)(2)(A)(i).

⁶³ See *MD (Sprint/Verizon) Arbitration Order* at 31-32.

⁶⁴ See *in re: Petition of MCI Metro Access Transmission Services, LLC and MCI WorldCom Communications, Inc. for Arbitration of Certain Terms and Conditions of Proposed Agreement with BellSouth Telecommunications, Inc. Concerning Interconnection and Resale Under the Telecommunications Act of 1996*, Georgia Public Service Commission, Docket No. 11901-U, Order at 14 (February 6, 2001) (although the Georgia Commission adopted WorldCom's proposal, the Georgia

(continued...)

While AT&T has not proposed contract language that resembles WorldCom's, the testimony at the hearing indicates AT&T expects Verizon VA to act as its billing agent for this traffic. At the hearing, AT&T witness Schell testified:

We [AT&T] don't want to be directed to do it [interconnect with third-party carriers] at any cost because obviously that would inhibit negotiations between the parties.

Tr. at 2191. Thus, AT&T seems to say that it is also opposed to establishing a reciprocal compensation arrangement with third-party carriers. As discussed above, AT&T has the statutory duty to interconnect with third-party carriers **and** establish reciprocal compensation arrangements for this traffic. Verizon VA's proposed contract language to both CLECs provides them with the appropriate incentives to establish suitable business relationships with third-party carriers and protects Verizon VA from acting as a billing and collecting agent.⁶⁵

F. AT&T Should Have A Reciprocal Duty To Provide Transit Services To Verizon VA. (Issue V-16).

AT&T should provide the same transit service to Verizon VA -- to the same extent and on the same terms -- that Verizon VA provides to AT&T. If AT&T directly interconnects with a third-party facilities-based LEC that Verizon VA does not directly interconnect with, AT&T should be willing to provide Verizon VA with the same transit service, accompanied with the same conditions, that Verizon VA provides to AT&T. If the level of this traffic goes beyond the DS-1 level, Verizon VA will negotiate with the third-party LEC to establish a direct connection, which is consistent with Verizon's proposed tandem transit service contract language. Until the

Commission held that the contract provision for transit service must provide that WorldCom have an interconnection agreement with the third-party carrier and compensate BellSouth for acting as WorldCom's billing agent).

⁶⁵ Verizon proposed Interconnection Attachment §§ 7.3.6, 11.4, and 11.8 to WorldCom; Verizon proposed §§ 5.7.5.5, 7.2.4, and 7.2.8 to AT&T.

traffic reaches this level, AT&T should provide Verizon VA with the same service Verizon VA provides to AT&T. Verizon Ex. 4 at 41. While the Act does not require wither AT&T or Verizon VA to provide transit service, as a matter of fairness between carriers, AT&T should provide the same service, and at the same level, that Verizon VA is willing to provide to AT&T.

III. MID-SPAN MEETS (Issues III-3 and III-3-a)

Continuing with their theme that they can dictate how Verizon VA will deploy its own network, AT&T and WorldCom assert that they have the unilateral right to dictate where, when, and how the mid-span meet form of interconnection occurs between Verizon VA and the respective CLECs. AT&T believes it has the

right to designate where and when mid-span fiber meets would be used to interconnect . . . AT&T would be able to specify the terminal locations, the end points of the mid-span system and where the splice point should be.

Tr. at 1040.⁶⁶ Verizon VA does not dispute that a mid-span meet is an acceptable form of interconnection.⁶⁷ But, it recognizes that the parties must reach mutual agreement on the mid-span meet. The unfairness of not providing for this mutual agreement is apparent when the AT&T and WorldCom proposals are examined.

AT&T and WorldCom would require Verizon VA to construct new facilities and would dictate where Verizon VA must construct them. Tr. at 1041. With respect to WorldCom, it seeks to choose where the mid-span meet will be located pursuant to its proposed Attachment IV, § 1.1.5.3.6. Given the broad discretion WorldCom vests in itself, it could choose a point that

⁶⁶ WorldCom witness Grieco testified that WorldCom's position is consistent with AT&T's position. Tr. at 1040.

⁶⁷ See Verizon proposed §§ 4.3 *et seq.* to AT&T; Verizon's proposed Interconnection Attachment §§ 3 *et seq.* to WorldCom.

would require a minimal amount of build-out for it but maximize the amount of build-out for Verizon VA. Read in conjunction with WorldCom's proposed Attachment IV, § 1.1.6.6, which provides that each party is responsible for the costs of its "Interconnection facilities," WorldCom's mid-span meet proposal shifts most of the costs of this method of interconnection to Verizon VA. Contrary to WorldCom witness Ball's testimony at the hearing, WorldCom's contract proposals do not provide it with an incentive to limit Verizon VA's build-out costs. Tr. at 1051. Because WorldCom can unilaterally pick the mid-span meet location and because WorldCom's proposed § 1.1.6.6 does not apply to the costs associated with the mid-span meet build-out, it is unclear to Verizon VA just how WorldCom's proposals provide an incentive to limit Verizon VA's costs.

Similarly, AT&T's contract language is not entirely consistent with the testimony provided at the hearing. AT&T testified that its proposal provides that each party pays for half the costs of the total build-out. Under AT&T's proposal, however, AT&T limits the cost of the build-out to construction costs; it does not include the costs to maintain those facilities. Thus, if Verizon VA's construction costs associated with the build-out amounted to \$700 and AT&T's totaled \$300, both AT&T and Verizon VA would be responsible for \$500. Tr. at 1040-42. Nevertheless, if it costs Verizon VA \$700 to maintain those facilities after construction and it only costs AT&T \$300 to maintain its facilities, AT&T's "cost sharing" proposal would not apply. Tr. at 1041-43.

Despite contract provisions indicating otherwise, WorldCom and AT&T maintain that because they each have an "equal financial stake" in the costs of the mid-span meet build-out, Verizon VA's concerns over where the mid-span meet will be located, among other particulars,

are moot. As demonstrated above, however, WorldCom and AT&T do not have a financial incentive to choose a mutually beneficial point at which to locate the mid-span meet.

Moreover, AT&T's and WorldCom's assertions that they have the unilateral authority to decide on where the mid-span meet will be located runs afoul of this Commission's *Local Competition Order*. In ¶ 553 of the *Local Competition Order*, the Commission held:

Regarding the distance from an ILEC premises that an incumbent should be required to build out facilities for meet point arrangements, we believe that the parties and state commission are in a better position than the Commission to determine the appropriate distance that would constitute the required reasonable accommodation of interconnection.⁶⁸

Verizon VA's mid-span meet proposal provides that the parties reach mutual agreement on where to locate the mid-span meet, which is consistent with this provision of the *Local Competition Order*.

Verizon VA's proposal also allows the parties more flexibility given the complexity associated with this form of interconnection, while also recognizing that the CLECs are entitled, as a general matter, to use the mid-span meet as a form of interconnection. By definition, each mid-span meet is unique because the specifics of each mid-span meet will be different. This is why the details of implementation should be by mutual agreement on a case-by-case basis, rather than rigidly captured in contract language that may or may not be applicable to a given situation. The AT&T and WorldCom proposals, however, contain a number of technical details that should be worked out between the parties. The contract should not bind Verizon VA to details that may or may not be technically possible.⁶⁹

⁶⁸ *Local Competition Order* ¶ 553.

⁶⁹ See AT&T proposed interconnection agreement, Schedule Four, Part B § 1.6 *et seq.*; WorldCom proposed interconnection agreement, Attachment IV §§ 1.1.2 and 1.1.5 *et seq.*

Because the mid-span meet is a unique form of interconnection in which the technical and operational details need to be worked out between the parties before construction, engineering, and implementation work can begin, Verizon VA cannot contractually commit to AT&T's or WorldCom's proposal. Tr. at 1451. Instead, Verizon VA proposes that the parties work these technical and operational details out in a memorandum of understanding ("MOU") before the mid-span meet work begins. Usually, once those details are mutually agreed to by the parties, Verizon VA can implement the mid-span meet within 120 days, as proposed by AT&T. Verizon Ex. 4 at 27. The problem with AT&T's 120 day implementation proposal is that AT&T would require Verizon VA to implement the mid-span meet 120 days from the moment AT&T informs Verizon VA that AT&T would like a mid-span meet. AT&T proposed interconnection agreement, Schedule Four, Part B § 1.6.4. Until the specific technical and operational details can be worked out between the parties for each specific mid-span meet, however, Verizon VA cannot start the process of building and constructing the mid-span meet. Tr. at 1451-52. The MOU represents a reasonable starting point for the parties.

At the hearing, Verizon VA witness Albert illustrated several of the problems with the CLECs' respective proposals and the details that should be worked out between them on a case-by-case basis. During cross-examination by counsel for WorldCom, Verizon VA witness Albert testified:

When you get into the operation of fiber-optic terminals and how you do a meet where one party owns one end and the other party owns the other end, there are a number of details associated with how you handle the maintenance, how you handle the operations, and how you handle the testing that depending on how those are resolved or not resolved to me determines if it's technically feasible or not.

Tr. at 1119.

* * *

Depending on how the parties would define the details relating to the means that the fiber-optic terminals talk to each other, their tie-ins to the operations systems, the overall data communications channel, which governs being able to get from one system into another system. If you address appropriately and correctly all those items, then there are ways that are technically feasible that you could do, but you could also muck that stuff up where they [the CLECs] want to be smart and there would be a lot of dangers and we [Verizon] won't agree to do that.

Tr. at 1122-23.

* * *

The mid-span meets that we have done and done successfully we have always been able to work the details out with people and do them, but you got to have mutual agreement, and what scared . . . me is I had a contract [the proposed WorldCom contract] where you've got the unilateral ability to kind of dictate all the things that we ought to be mutually figuring out how to do, many of which would either cost us a bundle of money or in some cases be technically not feasible.

Tr. at 1124

* * *

I think, as we have done with others, the details associated with the specific mid-span fiber meet can be worked out. All right? Doing it with these broad platitudes and these gross generalities and putting them into a contract that I'm on the hook for, that to me doesn't make a whole lot of sense, but we have done mid-span meets with other carriers, and we have found ways to address the engineering and operational in the capacity management issues with other carriers, but leaving totally open-ended for MCI to decide, that's where I had a big monkey wrench.

Tr. at 1124-25. These criticisms would apply equally to AT&T's mid-span meet proposal.

Indeed, in order for mid-span meets to be beneficial to both parties, they need to agree on the specifics. As a matter of fact, Cox and Verizon VA already jointly operate a mid-span fiber meet in Virginia. Cox accepted Verizon VA's offer to agree mutually on the particulars of the mid-span meet through the MOU. Tr. at 1125. As discussed above, the MOU spells out the details for each individual mid-span meet. There is no reason why WorldCom and AT&T cannot also reach this same understanding with Verizon VA. Even AT&T witness Talbott recognized

that a mid-span meet “needs to be looked at. As Mr. Albert himself explained, these are done on a case by case and need to be looked at that way.” Tr. at 1448.

Verizon VA’s proposed contract language recognizes that the mid-span meets are special arrangements with technical details that need mutual agreement from both parties. Giving the CLECs the unilateral authority to dictate the terms of that agreement is inconsistent with ¶ 553 of the *Local Competition Order*, and bestows upon the CLECs the unparalleled ability to dictate to Verizon VA how Verizon VA deploys its network. The Commission should adopt Verizon VA’s respective proposals to AT&T and WorldCom and require the parties to reach mutual agreement, through the MOU, prior to deploying a mid-span meet.⁷⁰

IV. FORECASTS AND TRUNK DISCONNECTIONS (Issues I-7, III-4, III-4-b)

Verizon VA’s proposed contract language regarding forecasts and trunk disconnections recognizes that Verizon VA requires the CLECs’ assistance in maintaining the availability of Verizon VA’s network for all Verizon VA’s customers, whether those customers are CLECs, local end users, IXCs, or CMRS providers. For the most part, each CLEC takes a very narrow view in its proposed contract language and seeks to protect its own position without due regard for Verizon VA’s obligations to serve customers other than that single CLEC. Verizon VA’s proposed contract language, on the other hand, seeks to reach the correct balance between Verizon VA’s obligations to that single CLEC and Verizon VA’s obligations to all others who use its network.

⁷⁰ Verizon VA’s proposed interconnection agreement to WorldCom, Interconnection Attachment §§ 3 *et seq.* Verizon Ex. 83; Verizon VA’s proposed interconnection agreement to AT&T, §§ 4.3 *et seq.* Verizon Ex. 85.

A. Cox And AT&T Should Provide Verizon VA With Good Faith Traffic Forecasts. (Issues I-7 and III-4).

Both Cox and AT&T refuse to provide Verizon VA with forecasts of traffic estimated to originate on Verizon VA's network and terminate on the CLEC's network to enable Verizon VA to more effectively manage its network. Verizon VA's trunk forecasting guidelines were developed as a result of the New York Carrier to Carrier Collaborative, in which many CLECs participated, including AT&T and WorldCom. The forecast procedures developed at this collaborative were the result of the overall trunk performance measures, standards, and penalties the New York PSC created for Verizon. Verizon Ex. 4 at 19; Cox Ex. 18. As explained by Verizon VA witness Albert at the hearing, Verizon VA uses this information on a macro level:

Let me describe for you how the [proposal] works, and I will describe really what's come out of New York [the New York Carrier to Carrier Collaborative] and again how we use it everywhere else. But with trunk forecasts we get from the CLEC, they forecast the traffic in both directions. We will take all those trunk forecasts from all CLECs. We will also combine that with trunk forecasts that we get from some interexchange carriers who do forecasts. We will . . . then combine that with our own trunk forecasting information, and out of all those inputs we will then wind up creating an overall trunk forecast that, in our [Verizon's] best estimation, reflects all those inputs.

. . . we then use that singular forecast to do our network planning and our network building and our network expansion.

* * *

[Verizon VA's] basic goal is to always have enough capacity in place so that we never run out when a service order hits us, and we try to take every available input that we could get that would help us in doing that job. Those good inputs are information directly from the carriers, but then we still have to take that bunch of other factors and make [our] best engineering forecast judgment to the overall whole.

Tr. at 1503-04, 1509.

Verizon VA does receive trunk forecasts, which do assist Verizon VA in identifying growth. Tr. at 1537, 1549. Nevertheless, Verizon VA needs traffic forecasts because the growth

in the trunks carrying calls from Verizon VA's network to the CLECs' network is explosive and volatile. In Virginia, in 2000, the CLECs' network grew 106% (103,000 trunks in service in 2000 compared to 50,000 in service in 1999). Verizon Ex. 4 at 20. It would be extremely difficult for Verizon VA to attempt to predict how many calls will originate from Verizon VA local end user customers destined for Cox and AT&T, and this is information the CLECs have based on their own marketing and business plans. These CLEC marketing and business plans, to which Verizon VA does not have access, often target extensive internet traffic originating on Verizon VA's network and terminating on the CLEC's network or telemarketing traffic following the same route. There is no burden on the CLECs to provide forecasts based on these plans. Furthermore, the growth generated by the CLECs is "spiky" by nature, rendering it more difficult for Verizon VA to predict how much traffic it will send to the CLECs. Tr. at 1533-34. In order for Verizon VA to do a more effective job in managing its network, Verizon VA needs AT&T and Cox to provide a good faith, non-binding traffic forecast.⁷¹

Contrary to Cox witness Collins' suggestion, Verizon VA is not asking the CLECs, in particular Cox, to do anything different than what it is does today with respect to its own forecasting. In fact, at the hearing, Cox witness Collins testified that Cox would provide Verizon VA "trending." As Dr. Collins explained in his dialogue with counsel for Verizon VA, Cox would extrapolate into the future based upon its past performance, taking into account business plans and customer classes, among other components. Tr. at 1055-1056. If Cox can do trending

⁷¹ See *MA (MediaOne/Bell Atlantic) Arbitration Order* at 88-89 (holding that MediaOne should forecast interconnection-related products by wire center because this information is useful in deciding what additional facilities Bell Atlantic may need to engineer); see also *In re AT&T Communications of Midwest, Inc., Final Arbitration Decision on Remand*, 1998 WL 316248 *10, Iowa Utilities Board (rel. May 15, 1998) (holding that when U.S. West Communications is responsible for transport network planning, the CLECs should provide trunk forecast information to U.S. West because it is in all the carriers' and customers' best interests).

on past performance, it can make reasonable estimates of future performance, and this is the type of information Verizon VA expects to receive, and does receive, from the CLECs when they forecast their inbound traffic. Given the dialogue at the hearing, Verizon VA is not entirely certain why Cox objects to forecasting traffic originating to Verizon VA and terminating to Cox.

With respect to AT&T's forecast issue (Issue III-4), AT&T's "three to one" compromise proposal does not assist Verizon VA in effectively managing its network. Tr. at 1534-36.

Pursuant to this compromise proposal, AT&T or Verizon VA would provide forecasts to the other when the volume of traffic originating on one party's network is greater than three times the volume of traffic originating on the other party's network. This is too great a "cushion," however, because the "spikes" referred to by Verizon VA witness Albert could occur within the three to one ratio. Depending on the total volume of traffic, these spikes within the three to one ratio could still represent significant increases in traffic that Verizon must still satisfy. Verizon Ex. 26 at 2-3.

In addition, AT&T has not identified any reason why it needs Verizon VA to provide AT&T a forecast pursuant to its compromise proposal when Verizon VA originates three times as much traffic to AT&T than AT&T originates to Verizon VA. AT&T is not responsible for ensuring that it has enough facilities in place to meet the demand on its network for all carriers, CLECs, IXC's, and CMRS providers alike. Nowhere in AT&T's pre-filed direct and rebuttal testimony on this issue or in AT&T's testimony at the hearing has it provided any justification for why it needs Verizon VA to provide AT&T a forecast.

Accordingly, the Commission should adopt Verizon VA's proposed §§ 10.3.1 and 10.3.2 in the interconnection agreement between Verizon VA and AT&T and §§ 10.3.1 and 10.3.2 in

the interconnection agreement between Verizon VA and Cox. These provisions assist Verizon VA in managing its network such that the benefits of an efficient network are realized by all.

B. The Commission Should Adopt Verizon VA's Trunk Forecasting Language In The Verizon VA-WorldCom Interconnection Agreement. (Issue III-4).

Verizon VA and WorldCom seemed to reach agreement on a number of subjects under WorldCom's Issue III-4. Specifically, it is Verizon VA's understanding that WorldCom and Verizon VA reached agreement on the following subjects:

- WorldCom will provide Verizon VA with inbound and outbound trunk forecasts;
- Verizon VA agrees to strike its financial penalties language;
- WorldCom agreed that items 4, 5 and 7, listed in WorldCom Exhibit 14 at page 4, were unnecessary; and
- Verizon VA agreed with "WorldCom's 15% overhead," item 6, given the explanation provided at the hearing.⁷²

Tr. at 1500-01, 1520-21, 1545.

Verizon VA's current proposed contract language to WorldCom, §§ 2.4.2, 2.4.3, 2.4.8, 13.1 and 13.3, satisfy the issue as stated by WorldCom and accurately reflect these agreements. Accordingly, the Commission should adopt Verizon VA's proposed contract language.

C. Verizon VA Should Be Permitted To Disconnect Underutilized Trunk Groups Between AT&T And Verizon VA When Those Trunk Groups Fall Below 60% Utilization. (Issue III-4-b).

AT&T's position on disconnection of underutilized trunks is consistent with its general position that it would like to manage and engineer Verizon VA's network. Verizon VA is responsible for the timing, sizing, and trunk engineering for the trunk groups with AT&T.

⁷² As described at the hearing, the example was as follows: WorldCom had 100 trunks in a trunk group and only 60 were utilized. When Verizon VA disconnects the underutilized trunks, Verizon VA would leave WorldCom a "15% overhead", *i.e.*, take 15% from the 100 trunks, and size down the trunk group to keep 75 in service. Tr. at 1502.

Accordingly, Verizon VA must be able to manage these trunk groups in the same manner it handles trunk groups from one Verizon VA switch to another. Tr. at 1522-23. Verizon VA's management of these trunk groups will be done, of course, with recognition that it must provide service to AT&T as well as others using its network.

As stated in Verizon VA's pre-filed rebuttal testimony on non-mediation issues, Verizon VA does not disconnect trunks on a whim. Rather, Verizon VA reviews actual trunk group traffic data, reviews the trunk group history to determine if there is a particular pattern associated with this trunk group, reviews the most current forecasts provided by AT&T, and contacts AT&T to find out if there is any reason why Verizon VA should not disconnect the trunk group. If after going through all these steps Verizon VA concludes that the trunk groups should be disconnected, Verizon VA issues an access service request ("ASR") to AT&T. Verizon Ex. 18 at 13-14. Despite all the precautions Verizon VA takes before disconnecting to ensure that the trunks are and will be underutilized, AT&T wants Verizon VA to wait for a firm order confirmation ("FOC") back from AT&T before Verizon VA can disconnect the trunk group. This is true even though Verizon VA is ultimately responsible for the engineering and maintenance of that trunk group. Tr. at 1523. In addition, this is true even though AT&T has no incentive to agree to the disconnection of underutilized trunks because, unlike IXC's, AT&T is not paying for these trunks for Verizon VA-originated traffic.

Allowing trunk groups to remain underutilized while waiting for an AT&T agreement to disconnect that may never come poses several problems for Verizon VA and other carriers who use Verizon VA's network. Underutilized trunk groups inefficiently tie up capacity in Verizon VA's network. Because Verizon VA cannot disconnect this trunk group without AT&T's approval, Verizon VA cannot use these trunks to meet the needs of other carriers and customers,

improve the level of service for other carriers and timely fulfill orders. Tr. at 1526-27.

Ultimately, this leads to call blocking. Tr. at 1527.

Given the relatively strong growth in CLEC trunks, Verizon VA has “legitimate problems” in its network because of underutilization. Tr. at 1531. Disconnecting underutilized trunk groups enables Verizon VA to address these problems for every carriers’ and customers’ benefit. Accordingly, the Commission should adopt Verizon VA’s proposed §§ 10.2.1 and 10.3.2.2 to allow Verizon VA to effectively manage its network.

V. INTERMEDIATE HUBS (Issues VI-1(B) and VII-6)

Issues VI-1(B) and VII-6 both address how WorldCom and AT&T order interconnection trunks and associated DS-3 to DS-1 multiplexing, and how Verizon VA, in turn, provisions those trunks. The dispute related to this ordering and billing largely involves a disagreement over Verizon VA’s position on intermediate hubs. As Verizon VA witness Albert testified:

... with this issue we [Verizon] are strictly talking about when you order multiplexing from Verizon, which is where you specify and specifically order where you want us to break DS-3 pipe that you want down into these individual DS-1s, the issue is where we do that and how we do that.

* * *

It’s not an issue at all if what you’re ordering from us and what we are provisioning is a DS-1 facility.

Tr. at 2444.

It is important to understand what is in dispute with these issues. WorldCom witness Grieco contends that WorldCom’s concern with Verizon VA’s proposed Interconnection Attachment, § 5.2.1, is that it limits the interface at the POI. Tr. at 2518. This is not true and is not in dispute. Apparently, WorldCom witness Grieco misread Verizon VA’s proposed contract language, specifically the second sentence. The first two sentences of § 5.2.1 follow: